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WAR CABINET.

REPORT FOR THE MONTH OF APRIL 1944 FOR THE DOMINIONS. INDIA, BURMA AND THE COLONIES AND MANDATED TERRITORIES.

THE DOMINIONS.

Report by the Secretary of State for Dominion Affairs.

CANADA.

Canada and China have concluded a treaty for the relinquishment of extra-territorial rights and other special privileges in terms similar to the United Kingdom and United States extra-territorial treaties concluded in 1943. The drafting of an Immigration Treaty, which is to supersede the Chinese Immigration Act of 1923 has been announced.

2. A number of mutual aid agreements have been concluded this month. In tabling agreements with the United Kingdom, the Soviet Union and Australia, Mr. Mackenzie King disclosed to Parliament the terms under which Canada makes available hundreds of millions of dollars worth of war materials to the United Nations. Later similar agreements were concluded with China and the French Committee of National Liberation.

3. On the occasion of the publication in London and Washington of the agreed statement of principles governing the constitution of an international monetary fund, the Prime Minister made a parallel announcement in the House of Commons.

4. The Dominion-Provincial Conference has been postponed until late summer when it is expected that the whole field of Dominion-Provincial relations will be discussed. The Dominion-Provincial Health Conference is to be held in May and the purpose of the meeting will be to consider the Draft Health Insurance proposals now before a Parliamentary Committee.

5. The first Social Credit Convention in Canada was held in Toronto and the most important business of the Convention was the establishment of a National Social Credit Association through which Social Credit candidates, pledged to establish Social Credit principles, will contest all Federal constituencies where the electors desire to elect such a candidate. Mr. Solon Low has been elected President and it is thought that this will necessarily result in his resignation as Provincial Treasurer for Alberta.

6. At the Ontario Convention of the Co-operative Commonwealth Federation, the proposal that the C.C.F. should co-operate with the Labour-Progressive Party (i.e., Communist Party) was rejected unanimously.

7. Three new Bills are before the House for Departments of Reconstruction, Veterans' Affairs and Social Welfare; the two latter departments will replace in part the present Department of Pensions and National Health.

Service Activities.

8. H.M. Canadian Frigate *Swansea*, in company with H.M. Sloop *Pelican*, sank U.448 490 miles south-west of Cape Clear on the 14th and picked up four officers and thirty-seven ratings.

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9. On the night of the 25th/26th H.M. Canadian Destroyers *Haida*, *Athabaskan* and *Huron* with H.M.S. *Black Prince* and *Ashanti* sank a German destroyer in action with three of the Elbing class off the north coast of Brittany. H.M.S. *Ashanti* and H.M.C.S. *Huron* were in collision after the action but neither was seriously damaged.

10. On the night of the 28th/29th H.M.C.S. *Athabaskan* and *Haida* intercepted two German destroyers of the Elbing class off Ile de Vierge, Brittany. One German destroyer was left aground and on fire and the other escaped. H.M.C.S. *Athabaskan* was sunk, thirty-eight survivors were picked up by *Haida*, six more who had to be left in *Haida's* motor-boat on the scene of the action subsequently arrived safely at Plymouth. The Germans claim forty-seven prisoners.

11. Forty-one R.C.A.F. Squadrons are now operational overseas; thirty-nine of them are stationed in Great Britain, one in Italy and one in Ceylon.

12. There was a marked increase during April in the activity of R.C.A.F. Bomber Squadrons; 1,873 sorties were flown, forty-seven aircraft are missing. The cities in Germany which were bombed were Aachen, Nuremburg, Essen, Cologne, Düsseldorf, Karlsruhe and Friedrichshafen, but the greatest weight of bombs was dropped on marshalling yards in occupied territory. Canadian Bomber Squadrons also flew numerous Air Sea Rescue operations and carried out extensive sea mining. No. 419 Squadron is now equipped with Canadian-built Lancaster X's.

13. R.C.A.F. Squadrons of the 2nd Tactical Air Force flew 2,380 operational sorties, six aircraft are missing. Twelve German aircraft were claimed destroyed.

14. Canadian squadrons of Air Defence Great Britain flew 360 operational sorties without loss. Thirty-six enemy aircraft were destroyed, three probably destroyed and fourteen damaged. Of this total No. 418 Mosquito Intruder Squadron destroyed twenty-nine, probably destroyed three and damaged thirteen.

15. Coastal Command Canadian squadrons flew 337 sorties totalling nearly 2,500 hours. No. 404 Squadron with rockets and cannons attacked a 14,000 ton ship protected by three escort vessels and an escort of fighters; all the vessels were hit, two escort vessels were left burning and one German fighter was destroyed. In an attack later in the month by the same squadron against a convoy of three ships protected by three escort vessels, two of the escort vessels were left on fire. A Sunderland of 423 Squadron sighted a U-boat and attacked with depth charges. The first depth charge exploded on contact, severely damaging the aircraft. The depth charge was seen to fall very close to the U-boat but as the rear gunner was rendered unconscious and the camera unserviceable, proof of the results are not available. When the aircraft returned to the scene of attack, however, the U-boat was not visible and a large patch of oil remained.

AUSTRALIA.

16. The dispute over the Australian censorship culminated in the development of a serious situation when the *Sydney Sunday Telegraph* and all Sydney Monday dailies were suppressed for refusing to accept the Censor's orders. These were to refrain from publishing in full (a) a reply by the Chairman of the Australian Newspapers Association to the attack on him (and the newspapers generally) by the Minister of Information, (b) editorial comments on the action of the censorship. The High Court of Australia granted an interim injunction, expiring on the 21st April, restraining the Commonwealth Government and the censors from continuing to ban editorial matter dealing with the conflict and, when the parties to the dispute appeared on the 21st, the plaintiff newspapers did not press for an additional injunction pending the action fixed for a date early in May.

17. The United Australia Party passed a resolution declaring that, after Mr. W. M. Hughes had rejoined the Advisory War Council, he was no longer a member of the Party and that he consequently forfeited the Deputy Leadership of the Party. Mr. Harrison, who was Minister for Trade and Customs in Mr. Menzies's Administration, was elected Deputy Leader.

18. The Tasmanian Premier, Mr. Cosgrove, has announced that the Bill to transfer certain powers to the Commonwealth for the purposes of post-war reconstruction will be reintroduced into the State Parliament. This decision followed a long discussion between the Federal Attorney-General, Dr. Evatt and members of the Legislative Council.

19. Two State Elections, those of South Australia and Queensland, have been held, and the preliminary returns of the South Australian elections held on the 29th April indicate that the Government (the Liberal Country Party) will be returned with a reduced majority. The Minister for Education and Attorney-General, Mr. Jeffries, lost his seat. As a result of the Queensland Elections, the Labour Government, under the Premiership of Mr. Cooper, has been returned with a slightly reduced majority.

20. The New South Wales State Parliament election will take place on the 27th May. At present the Government (the Official Labour Party) has 56 members and the Official Opposition Democratic Party 14 members.

21. An official Report just presented to the War Cabinet reveals a deficiency of at least 50,000 essential workers, and Mr. Forde, the Minister for the Army, in announcing this stated that the Government had decided to reduce the establishment of the Military Forces by greatly restricting the monthly intake and to provide quicker discharges, so reducing the Army by 90,000 in the course of a year. After a further explanatory statement by Mr. Forde the Report has been well received, though there is criticism of the failure to transfer to primary and other essential industries workers in munition industries where the scale of production is lessened.

Service Activities.

22. H.M. Australian Destroyer *Quiberon* was among the escort of the Eastern Fleet which took part in the air attack on Sabang on the 19th.

23. H.M. Australian Minesweeper *Junee* was commissioned on the 11th and H.M. Australian Frigate *Diamantina* was launched on the 6th.

24. General Sir Thomas Blamey, G.B.E., C.M.G., D.S.O., arrived in London at the end of the month for the meetings of Dominion Prime Ministers. During his absence from Australia General Blamey's powers as Commander-in-Chief were delegated to the Chief of the General Staff, Lieutenant-General J. Northcott, C.B., M.V.O.

25. By the 22nd April, 15,079 army personnel had been released to rural industry out of the 20,000 which it was decided to make available.

26. Strength of United States forces in the South-West Pacific area on the 28th March, the last date for which figures are at present available, was 421,677, including 88,023 of the Air Corps.

NEW ZEALAND.

Service Activities.

27. Lieutenant-General E. Puttick, C.B., D.S.O., arrived in London at the end of the month for the meetings of Dominion Prime Ministers.

28. Reports from the South-West Pacific indicate that there is a general slackening of Japanese air activity in the area, and the Royal New Zealand Air Force has lately been reduced to routine duties with occasional attacks on Rabaul.

29. Sufficient aircraft have now been delivered to New Zealand to equip completely the six Bomber Reconnaissance Squadrons with Ventura in place of Hudson aircraft.

30. About half the required number of Corsair aircraft have been delivered in New Zealand to re-equip the ten Fighter Squadrons from Warhawks.

UNION OF SOUTH AFRICA.

31. The Union Parliament which has been sitting since January is not expected to rise before the end of May as important measures are still to be debated; among which is the Fishing Industry Development Bill which has come back from the Select Committee in an amended form, but still contains provision for the establishment of a State Corporation.

32. Dr. Malan, as leader of the Opposition, in a speech in Western Cape has inaugurated a campaign to present the Nationalist party as the sole guardian of white supremacy in South Africa.

33. Speaking at the Easter Conference of the Trades and Labour Council, Field-Marshal Smuts said that South Africa was now on the "great divide"—hitherto mainly an agricultural country, there was no doubt that South Africa now was destined to become largely an industrial one. The time has come to draft a new labour code, the present one not being adequate.

34. Public attention has centred on the announcement by the Minister of Welfare and Demobilisation, Mr. Lawrence, on the Government plans to reabsorb South Africa's volunteers in civil life, as discharged or when demobilised at the end of the war. The general policy of re-employment is to place 40 per cent. of the total in suitable jobs and the whole scheme will be carried out by an Executive Board, together with an Advisory Council, which will report to the Director-General.

35. During a debate at the beginning of April on the Indian question in South Africa, the Minister of the Interior, Mr. Clarkson, strongly criticised three members of the Dominion party and made "a last appeal for help and assistance and not an attitude of continual hostility." Subsequently at a meeting on the 18th April between Field-Marshal Smuts, Senator Clarkson, European representatives from Natal and representatives of the Natal Indian Congress, it was unanimously agreed that legislation should be immediately introduced into the Natal Provincial Council to provide for a joint board of five, consisting of two Europeans and two Indians with a European chairman whose function it will be to license the occupation of dwellings in Natal Municipal areas. On the passing of this legislation the "Pegging" Act will be drawn by proclamation. The Agreement has been welcomed as a sensible compromise by the pro-Government press, while the Dominion party fear that it has cut the ground from under their feet. The Organ of the Natal Indian Congress says that the Pegging Act has aroused resentment in India, and the Durban City Council has passed a resolution of protest against the Government's decision to supersede the Pegging Act. It remains to be seen how the situation will ultimately develop.

NEWFOUNDLAND.

36. Since the statement of policy in regard to the future of Newfoundland was made in the House of Commons on the 2nd December the Secretary of State has been in communication with the Newfoundland Government as to the most suitable form of machinery which might be set up, after the war in Europe ends, for enabling the people of Newfoundland to review the position and give expression to their wishes. Arrangements have now been made for three members of the Commission of Government to visit this country in the near future for further discussion on the subject.

37. The financial year ended on the 31st March last produced a surplus of about \$5,634,000, revenue amounting to a record figure of \$28,552,000, which may be compared with the figure of about \$12,000,000 just before the war. The estimates for 1944-45 provide for a revenue of \$24,424,000 and expenditure of \$24,255,800 giving a surplus of \$168,800. Of the expenditure about \$5,500,000 is attributable to special wartime services and reconstruction expenditure mainly of a capital nature. In the Budget speech the Commissioner for Finance pointed out that though a surplus of about \$16,000,000 had been accumulated since the war, this would, in fact, only suffice to meet a part, and not the major part, of the expenditure on resettlement, reconstruction and development which would have to be faced after the war.

EIRE.

38. On the 6th April it was officially announced by the Postmaster-General that, as part of the general measures to prevent leakage of vital information through Ireland, the public telephone service between Great Britain and all parts of Ireland would be withdrawn immediately. The public telegraph service would be maintained subject to strict censorship. The ban on the export of local newspapers to Ireland and other countries has also been put into force.

39. Speaking at a meeting in Killarney on the 1st April, General Mulcahy said that the episode of the American note showed that the spirit of determination to defend their sovereignty and territory had filled all classes in the country. The episode demonstrated that the spirit of freedom and independence fostered and

developed out of the experiences of the last war in the countries of the British Commonwealth of Nations was what it claimed to be and that they were truly a group of countries regarding each other as co-equal in status in every way.

40. Mr. de Valera has sent messages to the United States, United Kingdom and German Governments urging action to save Rome from destruction. The messages said that Mr. de Valera considered it his duty to express the deep concern which 300 million Roman Catholics throughout the world are sharing at the danger threatening Rome and at the absence of any measures by the belligerent Powers to assure its safety. The destruction of this Holy City in which the great central temples of Catholic religion, the great seminaries and libraries of Christian faith are situated, would mean a major calamity for the human race.

41. The German Government replied that Germany had already taken measures to demilitarise Rome and said that the responsibility for its destruction would rest exclusively with the British and the Americans. "The Reich Government must, therefore, leave it to the Irish Premier to address himself to the British and United States Governments and to point out to them once more that Rome is demilitarised."

42. The United States Government's reply stated that the American military authorities in Italy have tried scrupulously—often at considerable sacrifice—to spare religious and cultural monuments and they would continue to do so. It recalled that the Germans were using to the limit of its capacity the communication network and other facilities of Rome to further a purely German military operation. The fate of Rome rests with the German Government.

43. The United Kingdom Government has not returned any reply to Mr. de Valera's communication.

44. Drastic cuts in supplies were announced by the Eire Department of Supplies on the 11th April. The Great Southern Railway has also announced drastic cuts in its passenger train service. Passenger trains as from the 24th April will run only on two days a week on branch and main lines. Goods trains will operate only on four days a week and eleven branch lines will be closed. The number of passengers will be limited and dining cars will cease to run.

45. Speaking in the Dail, Mr. Lemass, Minister for Industries and Commerce, said that these transport cuts were only the first steps arising from the diminution of coal supplies. He mentioned that further electricity restrictions were coming into force, including a 15 per cent. cut in the use of electrical power by industries, a further decrease of train services and another cut of 15 per cent. in electricity for cooking services.

46. These restrictions follow the notification made to the Eire authorities at the end of March that at an early date thereafter it would be necessary temporarily to reduce the supply of coal to Eire from about 21,000 to 10,000 tons per week. This reduction came into force towards the end of the month.

47. On the 13th April it was officially announced in London that steamship services between Britain and Ireland were to be reduced drastically as from the 24th April in view of the reduction of passenger traffic between the two countries following the travel restriction announced in March. There was also to be a reduction of all merchandise and live-stock steamship sailings.

INDIA.

Report by the Secretary of State for India.

Political.

48. The Japanese incursion into Manipur has provided the enemy with propaganda material, of which they have made the fullest use in their broadcasts to India. Nevertheless, although it has caused some uneasiness, it has failed to create anything approaching to panic even in the forward areas of Assam and no unfavourable repercussions have occurred within India.

49. There is little to report on the political scene generally. Some attention has been paid to appeals made by Congress spokesmen in Assam and in the United Provinces for a closing of the ranks in face of the Japanese menace, but chiefly as an occasion for renewed demands for the release of the Congress leaders. There has been an interesting trial of strength in the Punjab between Mr. Jinnah

and the Premier, Khizar Hayat Khan, who, though an adherent of the Moslem League, heads a "Unionist" Ministry, containing representatives of the Hindus and Sikhs as well as a majority of Moslems. Mr. Jinnah has for some time been pressing the Premier to drop the Unionist label and give undivided allegiance to the Moslem League; so far he has failed to impose his will on the Premier and his leverage has been weakened by the recent dismissal from the Ministry of the Minister (the son of the late Premier), who was the principal adherent of the Moslem League. Mr. Jinnah's interference, if persisted in, may have an unsettling effect on what has been the most stable and successful of the Provincial Governments set up in 1937.

50. Mr. Gandhi's health has recently caused anxiety. An attack of malaria left him in a weak state, and low blood pressure suggested the risk of coronary thrombosis.

51. The announcement that proposals had been made by the South African Government involving the withdrawal of the Pegging Act in its application to Indians in Durban is said to have been received in India with relief mingled with scepticism as to any real change of heart in South Africa.

External and Frontier Relations.

52. *Afghanistan.*—In the Southern Province the Afghan Government have had some trouble with a turbulent tribal leader named Mazarak, who was reported to have invited the Faqir of Ipi to assist the tribes against the Afghan Government. The garrison of the Southern Province was strongly reinforced by troops from Kabul and some aircraft were moved to the vicinity of the affected area. It was reported that the Afghan Government forces had attacked Mazarak on the 22nd April and had driven him with a greatly reduced following into the hills. The Afghan Foreign Minister informed His Majesty's Minister that the Afghan Government felt confident of being able to deal with Mazarak provided that he did not receive support from tribesmen on the Indian side of the border, and he asked that the Government of India would take steps to prevent any concentration of the Waziristan tribes against the Afghan Government. The Afghan War Minister went to Gardez, where he hoped to use his influence to pacify the area affected.

53. Drastic action on the part of the Government to keep down prices appeared to be fairly successful and there was no change in the economic situation.

54. The Italian Minister, Signor Quaroni, has been appointed as Italian representative in Moscow and expected to leave Kabul about the end of the month. His Majesty's Minister and his American colleague have expressed doubts as to the wisdom of this appointment from the point of view of British and American interests. Anzillotti, the Italian Secretary, left Kabul to return to Italy on the 18th April. The Legation will be left in charge of the archivist pending a decision as to its closure.

55. *North-West Frontier Province.*—In Waziristan the Faqir of Ipi left the area where he had been sheltering, apparently in consequence of the bombing of a village; his whereabouts at the end of April were unknown. Effective air and artillery action was taken against villages known to have harboured a lashkar which attacked a Scout post about the middle of the month; and air action was also taken in an area in which two sheels were fired on another Scout post about the same time. Responsible tribal opinion remained definitely opposed to providing support for the Faqir against Government, but the Afghan Government's threat of air action against supporters of Mazarak caused some excitement on the British side of the frontier. Strong political pressure was brought to bear on the tribesmen, in response to the Afghan Government's request, and at the end of the month the tribesmen had not shown signs of crossing the border into Afghanistan in any numbers.

56. *Nepal.*—In reply to his request that His Majesty's Minister, Lieutenant-Colonel Betham, should be permitted to receive a Nepalese decoration on his retirement, it was necessary to inform the Maharaja that the rule against such awards could not be waived. It is hoped, however, that the Maharaja's disappointment over this decision may have been mitigated to some extent by the award of a Knighthood of the British Empire to Colonel Betham before he left Katmandu. Lieutenant-Colonel Falconer took over charge of His Majesty's Legation on the 24th April.

57. *Persian Gulf*.—Some adverse comments have been expressed on the fighting on the Assam front.

58. The United States Minister at Bagdad, who recently paid a visit to Bahrein and Koweit, has stated his high appreciation of the courtesies extended to him by the British Political Agents at those places, and of the excellent work which they are doing in support of the joint war effort.

59. The Sultan of Muscat has been in Cairo and has had an interview with Nahas Pasha, the Egyptian Premier. He has now gone to Palestine.

60. In Bahrein a number of American nationals was recently imported for the construction of a new Refinery. These Americans are reported to be an unruly set of men, and the question of their control may present some difficulty. The Political Agent has appointed eight special constables, four of whom are Americans, to deal with them. The presence of this increased number of Americans in Bahrein has caused the Americans to renew their proposal for the appointment of an American Consul there. The matter was discussed in London with Mr. Wallace Murray of the State Department and the objections seen to such an appointment were explained to him. It is hoped that the State Department will as the result be content with the alternative suggested, namely, that the American Consul to be appointed to Dhahran on the mainland should look after American interests in Bahrein.

61. *Sinkiang*.—The Tass Agency published the Russian version of the incident referred to in last month's Summary in which, according to the Chinese, troops operating against bandits in Chinese territory were attacked by Soviet aircraft. According to this version, Chinese troops, supported by Chinese aircraft, had crossed the border of Outer Mongolia in pursuit of refugees whom the Chinese wished to transfer from the frontier to the south of the Province and the Mongolian Republic, regarding this as an act of aggression, was prepared to seek Soviet assistance under the Soviet-Mongolian Treaty of 1936. This was also the line taken by the Soviet Ambassador when the matter was taken up with him by the Chinese Minister for Foreign Affairs. His Majesty's Consul at Urumchi has no doubt that Chinese troops did cross the frontier. There has been some unrest in the North of the Province, which is attributed to resentment among the tribesmen at the influx of Chinese colonists and preparations for road-building.

62. *Tibet*.—The Tibetan Government were reported to take a rather apathetic attitude towards the constant stream of Chinese propaganda designed to give the impression that Tibet is merely a Province of China. The Government of India have expressed the view that this attitude is a dangerous one for the Tibetans, in view of possible Chinese designs after the war, and have proposed that Sir Basil Gould, the Political Officer, Sikkim, who carried great prestige in Tibet, should visit Lhasa this summer to discuss the matter with the Tibetan Government. He would also explain to the Tibetans the measures being taken by the Government of India to vindicate the McMahon Line, the frontier line agreed with the Tibetans in 1914. Of recent years, Tibetan officials have encroached on territory well to the south of this line.

63. The Tibetans, with whom relations remain very friendly, have decided to set up an English School and have asked for an English master for it.

Finance.

64. *Indian Budget*.—The Legislative Assembly declined to consider the Finance Bill embodying the Government's taxation proposals (see report for February), but they were passed into law by the procedure of certification. On one point—the proposed enhancement of railway passenger fares—the Government felt obliged to give way in face of violent criticism, both in the Assembly and from the public. The final result is that new measures designed to absorb some £60 million of purchasing power (as against the original £69 million) will have effect in 1944–45.

65. *Silver*.—Reference was made in the report for January to the fact that the Americans had agreed in principle to lend 100 million ounces of silver for sale as an anti-inflationary measure. Negotiations on outstanding points have since been taken place, and it has proved necessary for His Majesty's Government to assume the responsibility for replacing the silver after the war if, for any reason, the Government of India fail in their obligation to do so. No progress has been made in regard to the separate demand for coinage silver.

Meanwhile, prices in the Bombay bullion market have risen to new record levels as a result of nervousness occasioned by the Japanese incursion into North-East India.

Economic and Social.

66. *Wheat.*—This year's wheat crop promised very well in the early stages. Unseasonable rains at harvest time have caused considerable damage to the crop with the result that the estimates show a tonnage much short of last year's harvest which, however, was a record one. The outturn according to the forecast should be slightly below average and there is in consequence a considerable gap between the supplies likely to be made available by the producing areas and the requirements of the wheat-eating areas (mainly the large cities) elsewhere. The statistical shortage is even more acute when account is taken of this year's heavy defence requirements.

67. *Groundnuts.*—This year the Government of India found some difficulty in reconciling the demands of the Ministry of Food for Indian groundnuts for export with the numerous undertakings they had given in regard to the export of food from India. In direct discussion between the Ministry of Food's representative and the Department concerned in Delhi, however, a settlement has been effected mutually satisfactory to both parties.

68. *Shellac.*—Shellac, largely used as a waterproof coating for munitions, became the subject of a joint buying arrangement in 1942, when the Ministry of Supply sent a representative to India who bought on the spot, on behalf of the United Kingdom and United States Governments. Recently, the United States Government have decided to revert to private purchase and there is some anxiety as to the result. There is a considerable civil demand in America which has been starved during the period of Government purchase.

69. *Proposed large-scale production of artificial fertilisers.*—The Government of India have been making enquiries in the United States and in the United Kingdom on the possibilities of establishing artificial fertiliser plants in India to assist the Grow More Food campaign. Establishment, with financial help from Central or Provincial Governments, of a number of plants to produce 350,000 tons per annum of ammonium sulphate is envisaged within the next two years. Arrangements are now being made to examine the matter on the spot by sending out to India a number of United Kingdom experts representing the British Plant Manufacturers and Imperial Chemical Industries Ltd., who would collaborate in the design and running in of the plants and the training of Indian operatives. If these arrangements have a successful outcome, there should be opened up a valuable outlet for British products and British enterprise.

Equipment for the Indian Railways.

70. (i) *Metre Gauge.*—The Government of India recently reported that the demands placed, and the delivery programme arranged, for metre gauge locomotives and wagons will be adequate for their requirements.

(ii) *Broad Gauge.*—The number of broad gauge locomotives already definitely being provided from the United States and Canada is 605. Of this number, 185 will have been shipped by May 1944. Delivery of a further 255 is expected to be completed by the end of 1944, and the remaining 165 have been planned for delivery during January–August 1945.

71. Considerable quantities of wagon components are coming forward steadily from America and this country for India's construction programme of 25,650 broad gauge wagons. Production capacity has also been found in America for the Government of India's urgent demand for 5,000 broad gauge wagons required to balance a short-fall in their indigenous production this year.

72. The Government of India have recently telegraphed, however, that, in addition to the foregoing supplies, they require to be delivered in 1945 up to 361 broad gauge locomotives and 24,700 broad gauge wagons, in order to enable the military load expected in 1945 to be carried and civil traffic to be restored to a level essential for the maintenance of the economy of the country. The precise figure of these requirements depends on military plans and on the extent to which it is found possible to increase the amount of coastwise shipping available in order to relieve the railways, but the Government of India estimate that even if shipping were restored to the pre-war level no less than 196 broad gauge locomotives and 14,300 broad wagons would still be required. The

problem of the supply of coastwise shipping is now being considered by the Ministry of War Transport. Enquiries are also proceeding as to the possibility of obtaining additional locomotives and wagons from the United States and Canada. It is understood that it is very unlikely that a portion of the requirements could be produced in the United Kingdom in 1945.

73. *The Bombay Disaster.*—On the 14th April there was an explosion on board a ship loaded with ammunition in the Victoria Dock, Bombay. This set fire to several other ships and shortly afterwards there was a second and even more severe explosion. Fires broke out in the area of Victoria Dock and spread to Prince's Dock and the adjoining part of the city. The fires were not brought under control until three days later. In all, 366 people were killed and 1,040 injured. Colonel Sadler, General Manager of Docks and Railways in Bombay, was among the killed. In addition, several thousands of people were rendered homeless. There was, however, no panic, and the exodus from the city by rail was only 10 per cent. in excess of normal traffic.

74. Severe damage was caused by the disaster. Prince's and Victoria Docks are out of action. All buildings in or near these docks have been destroyed, also nearly all the fire-fighting equipment and salvage stores and a large number of cranes. In addition, a substantial quantity of grain was destroyed. Fourteen merchant ships were total losses and six damaged (most of these being employed on the Indian coast), and the Victoria and Prince's Docks were blocked by wreckage. Two dredgers were included in the smaller ships lost. Alexandra Dock, the Merewether and Hughes dry docks, and the oil installations were undamaged.

75. Everything is being done to restore the port to its full working capacity. The Army has taken over the land area near the Victoria and Prince's Docks, and the Navy the basins, for restoration and salvage. It is estimated that Prince's Dock should be working to near capacity in two to three months. The speed at which Victoria Dock can be repaired depends largely on the amount of salvage equipment available. The Government of India have asked His Majesty's Government to help them in providing salvage gear (which it is believed can be found by the Commander-in-Chief, Eastern Fleet) and in replacing the cranes and food-grains lost.

76. A Commission of Enquiry has been set up to ascertain the cause of the disaster. It consists of the Chief Justice of Bombay, an Indian retired judge and a Rear-Admiral, R.N., assisted by five technical assessors. The Commission will make its report to the Government of India.

77. *Bengal Health Situation.*—Cholera mortality is now normal for this time of year. Smallpox, however, is still increasing. During the month of April nearly 2 million people were inoculated against cholera and nearly 3 million vaccinated. Doctors are now being recruited in adequate numbers as a result of the improved terms offered by the Government of Bengal. There is no difficulty in obtaining necessary drugs.

78. Civil emergency hospitals have been constructed to take over from the tented military hospitals which were due to be withdrawn at the end of April.

Naval, Military and Air Force Activities.

79. *Royal Indian Navy.*—Owing to the approaching advent of the monsoon and resulting bad weather in the Bay of Bengal our light coastal forces have ceased operating on the Arakan coast and have been withdrawn to Indian ports for refitting.

Military.

80. *Italy.*—Indian troops have been in the line throughout the month, but there has been nothing of particular interest to report.

81. *North-West Frontier.*—There has been some increase in hostile activity in two areas of Waziristan caused by the Faqir of Ipi, but the situation is not considered critical and so far it has been unnecessary to move troops. Air proscription of the affected areas continues.

82. *Burma, Arakan.*—Both tunnels on the road Maungdaw-Buthidaung were captured early in the month. Since then fighting has continued and our

troops have made slight advances east and west of the Mayu range and in the Buthidaung area. The enemy continue to make strong local counter-attacks in attempts to pin down our forces.

83. *Kaladan*.—Here activity has moved to the neighbourhood of Paletwa, where some small bodies of the enemy are being engaged by our forces.

84. *Imphal Area*.—The enemy hoped to isolate or cut off our troops in the Tiddim area. This failed and the latter withdrew successfully on Imphal. Since then enemy attempts to advance along the Tiddim-Imphal and Tamu-Palel roads and to debouch on to the plain south and south-west of Imphal have been held. The Japanese, however, have been concentrating in this area and an attempt to push through to Imphal is anticipated and has been prepared for. Heavy fighting took place to the north and north-east of Imphal, with positions changing hands. The enemy have now been driven back and our troops are advancing north-east towards Ukhruil, while to the north and north-west we are also making progress. Over 5,000 enemy dead have been counted in this area since operations began. Undoubtedly, there were many more which did not come into our hands.

85. *Kohima-Dimapur*.—The enemy early in the month reached Kohima, cutting the road on both sides of it, and penetrated the southern outskirts, from which they were later ejected. Considerable numbers also by-passed Kohima and advanced west and north-west on either side of the road to Dimapur, aiming at eventually cutting the railway. Further large bodies moved northwards east of Kohima in the direction of Mokokchung, presumably with the object of cutting the railway east of Jorhat. Strong British reinforcements were moved up to Dimapur and these cleared the road to Kohima and relieved the garrison. This had the effect of drawing back the enemy forces which had by-passed Kohima for a further assault on the town. These forces are now being attacked by fresh British troops from Dimapur, and it is anticipated the situation will soon be cleared up. Meantime, the enemy movement towards Mokokchung has ceased and these forces are being engaged by long-range penetration group columns which have moved east and north-east from Dimapur.

86. Enemy man-power in both the Imphal and Kohima areas is being steadily reduced, many units having lost 50 per cent. of their effectives, and their supply situation is worsening.

87. *Hukawng Valley-North Burma*.—General Stilwell's Chinese troops have made progress in the Mogaung Valley and are now within 16 miles of Kamaing. The American Ranger Group have reached an area 50 miles north-west of Myitkyina, while our troops and levies from Fort Hertz are between 30 and 40 miles north of Myitkyina.

88. Our Long-Range Penetration Groups have operated throughout the month in the general areas round Katha and Bhamo, interrupting rail and road communications, destroying dumps of stores and ammunition and ambushing Japanese columns. In all encounters enemy casualties are invariably much heavier than ours, and a growing number of Japanese troops are being contained.

89. *Air*.—Air activity has been on an increased scale throughout the month. The air situation on the Imphal front is satisfactory and we have complete air superiority over Upper Burma. The main effort has been directed to the support of the ground troops and maintenance by air. Bombing of enemy installations and targets in rear has been continued and routine patrols have been flown as heretofore.

90. The enemy has for the most part only made small and ineffective raids against objectives in the Imphal area and his troops may be said to be operating virtually without air support.

91. *General: Bombay Explosion*.—The explosion and fire in the dock area will undoubtedly reduce capacity, but this reduction will be less serious than at first feared.

92. *Morale*.—The Japanese advance on the Chindwin front has caused considerable interest, but has had no adverse effect on army morale in general. 14th Army morale stands high and the troops in Imphal are in good heart despite withdrawals.

93. Reactions to stories of Japanese atrocities are favourable, but not pronounced, especially among Indian troops. Most service personnel already knew or guessed at the truth.

94. First reactions to pay increases to Indian troops are not yet available.

95. *Post-war resettlement.*—The resettlement in civil life in India of demobilised personnel from the three fighting services, including the W.A.C. (India), will be the primary concern of the "Directorate of Resettlement," a new organisation set up under the Directorate-General of Welfare, Education and Resettlement, G.H.Q., India. The Directorate of Resettlement is to represent the interests of the defence services in the employment exchanges. It is to be referred to in matters relating to all vocational training for British and Indian personnel who require further training to suit them for civilian occupations. Part of its functions is to ensure that ex-Service personnel obtain their full share of employment in any reconstruction plans and development projects by acting as liaison between G.H.Q. (I.) and the Government of India, the Provincial Governments, and the Indian States.

BURMA.

Report by the Secretary of State for Burma.

Occupied Burma.

96. Evidence is accumulating which tends to show that the Japanese are disliked in Burma, especially by the higher ranks of former British Government officials, and that in the majority of cases in which the latter work for the puppet Government they do so either under orders or owing to the need of supporting their families.

97. Ba Maw's Budget Estimates are: Income, Rs. 69 million; and Expenditure, Rs. 281 million. The total deficit since August 1943 now amounts to Rs. 358 million.

General.

98. Sir J. Wise, one of the Governor's Counsellors, is to be appointed Liaison Officer with the Supreme Allied Commander, South-East Asia.

99. Arrangements have been made for work on civil supplies requirements on reoccupation to be carried on in close collaboration between the Government of Burma and the military Civil Affairs Staff.

THE COLONIAL EMPIRE.

Report by the Secretary of State for the Colonies.

(NOTE.—In this report "Colonies" is used to cover not only the Colonies in the restricted sense, but also Protectorates and Mandated Territories, and "Colonial Governors" is used to include High Commissioners and the British Resident, Zanzibar.)

ECONOMIC AFFAIRS.

Food Supplies.

Ceylon.

100. In my report for last month I referred to the serious danger of an interruption in Ceylon's rice supplies due to the fact that the rice purchased by the Ministry of Food in Egypt was coming forward much more slowly than had been hoped. In view of the danger of a temporary exhaustion of Ceylon's rice stocks, the Government of India were asked, through the Secretary of State for India, if they could make a temporary loan of 5,000 tons of rice to Ceylon to be repaid from later arrivals of Egyptian rice. The Government of India agreed to make this loan and a shipment of over 4,000 tons arrived in the Island in the latter part of April. This help from India was of the greatest value in averting what might otherwise have been a serious crisis.

101. Supplies of rice to meet Ceylon's minimum import requirement of 10,000 tons a month for the remainder of the year have now been programmed partly from Egypt and partly from Brazil. The Brazilian supplies are required to cover the Island's requirements during the latter half of this year after the

purchases from the current season's Egyptian rice crop have been exhausted and before next season's crop becomes available. The Government of Australia have generously agreed to contribute 6,000 tons of rice to Ceylon. This will be set off against the shipments which are having to be made from Brazil.

East Africa.

102. I received a telegram from East Africa in the middle of April reporting an improvement in the food situation there as a result of satisfactory crop prospects. In consequence it has been possible to reduce the total requirement of imported cereals for the period up to September of this year from 130,000 tons to 116,000 tons. A still greater reduction could have been made but for the fact that the East African authorities strongly recommended that they be allowed to carry forward approximately 22,000 tons as a reserve stock. In view of the fact that the holding of such a reserve stock may be the means, by maintaining confidence among producers in East Africa, of saving larger volume of imports which would otherwise be required later, the supply and shipping authorities have agreed to a programme of imports providing for this carry-over.

Production.

Groundnut Prices.

103. *Northern Nigeria.*—In order to help meet the great and growing shortage of edible oils and fats, it has been decided to raise the producers' price for 1944-45 by 50 per cent. to £12 per ton, a level where possible inflationary effects on the internal economy of the territory caused the local Government some concern.

104. *Gambia.*—The 1944-45 price has similarly been raised to £12 per ton, not so much to increase local production as to facilitate the flow of produce from surrounding French territory and to attract "strange farmers" from there.

Assistance to Trinidad Sugar Industry.

105. As a contribution towards the rehabilitation of the industry which is passing through a difficult phase, owing principally to the influx of American money and the disruption of the labour market through the provision of well-paid work in connection with the United States bases, and at the same time to ensure the planting of cane for reaping in 1946 to the greatest extent possible, it has been decided that the bonus of \$40 an acre which was instituted by the Government of Trinidad during the 1943 planting season should be continued during the 1944 season and that the whole cost involved, estimated to amount to \$400,000, should be from funds to be provided by His Majesty's Government.

Milling Industry in Palestine.

106. The flour milling industry in Palestine, which relies on the Middle East for its supplies of grain, has for some time been working under severe difficulties owing to the dirty condition of the grain on its arrival at the mills.

REPORT ON INDIVIDUAL COLONIES.

Palestine.

107. The attitude of the population generally to the war remained unchanged, and its interest in it was outweighed by a resurgence of political feeling, caused by fears of a renewed outbreak of terrorism and speculation as to the future of Palestine.

108. The Arabs professed horror and alarm at the terrorist activities of Jewish illegal organisations, and their Press indulged in a self-righteous castigation of Jewish lawlessness. They followed developments with keen interest, and closely watched the effect of the curfew and other security measures, which many said were not drastic enough.

109. There was speculation as to His Majesty's Government's intentions regarding the White Paper policy, and the Arabs were apprehensive lest Zionist pressure and propaganda abroad might lead to its abandonment.

110. Terrorist activities of the Irgun Zvai Leumi and the Stern Group continued and caused alarm among the community. Responsible leaders however, political and religious, while liberal in their condemnatory pronouncements and expressions of disapproval, gave no real lead in active co-operation with the police.

Political leaders themselves were divided as to what course they should take, and were more exercised by the need to avoid serious rifts within the community (whose cohesion would be threatened by counter-terrorist action) than by that of eliminating terrorism. There were signs, however, that certain responsible quarters were going as far as they dared *sub rosa* towards bringing the illegal organisations to heel.

111. Internal Jewish politics were somewhat over-shadowed by the recent campaign of terrorism and the Government's counter-measures. The Histadruth succeeded in securing, by a majority, a resolution in support of the Biltmore programme before the International Trade Union Congress.

112. Police action against terrorism continued. Eighty-one persons, mostly belonging to the Irgun, were rounded up and detained under the Emergency Regulations. In two recent instances, the Police received useful information anonymously from the public. Police casualties during the month were one Sergeant killed, one Inspector and three Constables wounded, but not seriously, whilst a determined but unsuccessful attempt was made on the life of a Deputy Superintendent.

Aden Protectorate.

113. The Protectorate has suffered last year and this year from failure of the normal rainfall which has resulted in a shortage of food and latterly in some parts of the Protectorate in conditions of famine. The district which has suffered most severely is the Hadramaut valley in the interior of the eastern part of the Protectorate. The inhabitants of this part of the country have for many years been largely dependent upon remittances amounting to about £600,000 a year from Malaya and Java, where many members of Hadrami families are settled and where they own considerable property. These remittances have ceased as a result of the Japanese occupation of those countries, and the situation has been further aggravated by the cessation of normal food imports from India. In spite of remedial measures taken locally, the position deteriorated to such an extent that the Governor of Aden was compelled early in March this year to appeal to the Secretary of State for financial assistance to deal with the problem. He estimated his immediate requirements at £318,000 to be spent on assistance in kind to cultivators, on the construction of two barrages for the conservation and distribution of water, for the purchase of irrigation pumps, for the free issue of rations, for the chartering of a vessel to deliver the supplies to the nearest port and other miscellaneous expenses. In view of the gravity of the situation the Governor's request for funds was approved by the Secretary of State in full and with the least possible delay.

114. At the same time the Governor posted a Senior Political Officer to the Hadramaut valley as a Famine Relief Commissioner to organise and administer the social and agricultural relief schemes with the assistance of such administrative, medical and agricultural staff as could be made available.

115. Since then the main problem has been one of transport, which has seriously impeded famine relief work. There has been a heavy mortality among the local camels owing to the lack of grazing, and local motor transport, which is old and numerically inadequate, has failed owing to bad tracks and gradients of the few roads existing in this mountainous country. The Governor has consequently appealed for assistance from the Royal Air Force and the Air Officer Commanding-in-Chief, Middle East, has made available Wellington aircraft from his Command which the Governor reports to be doing wonderful work in flying grain into the Hadramaut valley.

116. Reports have appeared in the London Press stating that the R.A.F. has assisted by arranging for supplies of grain amounting to 30 tons daily to be dropped in the Hadramaut and that a relief commission has been flown from Aden to give assistance on the spot. Further information from the Governor regarding these measures is awaited.

Mauritius.

117. The edge of a cyclone struck Mauritius during the week ending the 15th April, causing considerable damage to crops. It is estimated at present that 10-15 per cent. of the sugar-cane crop and 60-70 per cent. of the maize crop has been lost. There was slight damage to buildings but no loss of life.

Fiji: Dispute in the sugar industry (see paragraphs 120 and 121 of Report for March).

118. After consultations in this country, Professor Shephard left for Fiji on the 20th April to conduct his enquiry into the Fiji sugar industry. Both the company and the cane growers have expressed their intention of co-operating with him in the carrying out of his investigation.

119. Meanwhile, bad weather has temporarily prevented the resumption of cane planting, but the Governor is confident that as soon as conditions permit, full-scale planting of cane will be resumed.

Cyprus.

120. Following a strike at a local factory, a series of bomb outrages, none of which caused personal injuries, occurred in Limassol, arousing considerable apprehension among the law-abiding townspeople. To assist the regular police in the protection of life and property the Government called up about 100 special constables, including 39 trade unionists. Of these 37, of whom 23 were trade unionists, after being enrolled, absented themselves from duty without leave and were punished by imprisonment for periods varying from one to nine days. By the 15th April it was found possible to discharge all the special constables except 17, who remained voluntarily at duty. This incident led to allegations of police discrimination against trade unionists, which were, however, shown to be without foundation.

Falkland Islands.

121. A fire completely destroyed the Town Hall at Port Stanley, in which a number of Government departments, including the Post Office, Censorship and Public Works Departments, were accommodated, as well as the Museum and public library. It is feared that there has been considerable loss of public records. There were no casualties. An enquiry has found that the fire was accidental.

West Indies.

122. A short report of the outcome of the West Indian Conference, mentioned in the report for March, has been received. The Conference appears to have been successful and its recommendations for the improvement of nutrition, the expansion of food production and fisheries, &c., will now be considered by the Governments of the West Indian Colonies and United States territories concerned.

123. The Empire Parliamentary Association Delegation, mentioned in the report for February, has completed its tour of the West Indies and neighbouring Colonies and has now returned to this country.

Jamaica Shipping Strike.

124. The trouble on the Kingston water-front, which started on the 15th March, was due to disputes over conditions of work. This was settled by the 21st March, but matters were made difficult for Government by the irresponsible attitude adopted by Bustamante, the Labour leader.

125. Trouble broke out again on the 16th April in spite of the settlement. Even where work was not stopped it was deliberately slowed down to such an extent that the cost of handling ships was increased by over 100 per cent. The Governor reported that the demands made by the strikers were of a trivial nature, and were mere pretexts to slow down work and interfere with the wharf owners in the management of their business; and that part of the procedure was probably due to an unhealthy spirit of political competition by Bustamante in an endeavour to maintain his political prestige.

126. To meet the situation ships were diverted as far as possible to out-ports, and naval and military assistance was obtained. If the trouble continued the Governor contemplated calling for volunteer labour.

127. The Ministry of War Transport takes a serious view of the situation. Although work was resumed on the 29th April, the rate of loading and discharging was reported by the Ministry's local representative to be still unsatisfactory, and three ships at present on the way to Jamaica have been diverted. The Minister has also issued instructions that no more ships shall load for Jamaica for the present.

128. In view of the fact that the Governor reported on the 29th April that the situation was normal, and that any curtailment of shipping will have serious consequences to the people, who are suffering from the effects of a severe drought, and may provoke an outbreak of disorder, the Ministry of War Transport have been asked to reconsider the instructions that no more ships shall load for Jamaica at present.

East Africa.

129. Non-native immigration restriction regulations have been passed in Kenya, Uganda and the Tanganyika Territory on account of the shortage of housing accommodation in the towns and food difficulties. The regulations are non-racial in character and require every non-native immigrant to be in possession of a permit, the issue of which will normally be conditional on a certificate from the Director of Manpower to the effect that the immigrant's intended occupation will be of direct assistance to the war effort.

130. The regulations have been the subject of protests from the Indian communities in the territories concerned.

Northern Rhodesia.

131. A threat of a strike on the Copperbelt developed during the month as a result of the dissatisfaction of the Northern Rhodesia Mine Workers' Union with the results of the conciliation proceedings in connection with the revision of the Union's agreement with the Copper Mining Companies. Strike ballots were held, but 72 per cent. of the members voted against a strike. It is now for the Union to decide whether they will accept the results of the conciliation proceedings or go to arbitration, and meanwhile the existing agreement remains in force.
